



**The Tripura Tea Companies (Taking Over of Management of Certain Tea Units) Act, 1986**

Act 1 of 1987

**Keyword(s):**

Custodian, Tea Company, Tea Unit

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*Tripura Act No. 1 of 1987*

*THE TRIPURA TEA COMPANIES  
(TAKING OVER OF MANAGEMENT  
OF CERTAIN TEA UNITS)  
ACT, 1986*

**THE TRIPURA TEA COMPANIES  
(TAKING OVER OF MANAGEMENT OF CERTAIN TEA UNITS)  
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**An  
Act**

*to provide for taking over the management of certain Tea units specified in the schedule with a view to securing proper reorganisation and management of such Tea units so as to subserve the interests of the general public by augmenting the production and manufacture of different varieties of tea which are essential to the needs of the economy of the State and for matters connected therewith and incidental thereto.*

Whereas by reason of mismanagement of the affairs of Tea units specified in the First Schedule, their financial condition has become wholly unsatisfactory ;

And Whereas it is considered expedient to secure proper reorganisation and management of the said Tea units in order to augment production and manufacture of tea by them and thereby protect the interests of the workers employed therein ;

Be it enacted by the Tripura Legislative Assembly in the Thirty Seventh Year of the Republic of India as follows :—

**CHAPTER I  
PRELIMINARY**

**1. Short title, and commencement —**

(1) This Act may be called the Tripura Tea Companies (Taking Over of Management of Certain Tea Units) Act, 1986.

(2) It shall be deemed to have come into force on the 10th day of November, 1986.

**2. Definition —**

(1) In this Act, unless the context otherwise requires,—

- (a) "appointed day" means the date of commencement of this Act ;
- (b) "custodian" means the person, Co-operative Society or body of persons appointed under section 4, to take over the management of the tea units ;
- (c) "tea company" means a company (being companies as defined in the Companies Act, 1956) specified in column 3 of the first schedule ;
- (d) "tea Unit" means a tea Unit specified in column 2 of the first schedule;

(2) Words and expressions used in this Act but not defined shall have the same meaning as respectively assigned to them in the Tea Act, 1953 or the Companies Act, 1956.

## **CHAPTER II**

### **3. Taking over of the management of the undertaking of the Tea Companies in relation to the Tea Units —**

(1) On and from the appointed day the management of the undertaking of the Tea Companies in relation to the Tea units only shall vest in the State Government for a period of five years :

Provided that the State Government may, from time to time, by notification in the official gazette extend the period, as aforesaid, for such period not exceeding one year at a time as may be specified in the notification, so, however, that the total period of such extension shall not exceed two years (after the expiry of five years as aforesaid) and wherein such notification is issued, a copy thereof shall be laid as soon as may be, before the Legislative Assembly of Tripura.

(2) The undertaking of the Tea Companies in relation to the Tea Units shall be deemed to include all assets, rights, leaseholds, powers, authorities and privileges and all properties, movable and immovable, including lands, buildings, workshops, projects, stores, spares, instrument, machinery, equipments, automobiles and other vehicles, cash balance, reserve fund, investment

and book debts and all other rights and interests arising out of such property as were, immediately before the appointed day, in the ownership, possession, power, or control of the concerned Company, and all books of accounts, registers, and other documents of whatever nature relating thereto.

(3) If any building, workshop, store, machinery or other things of the Tea Unit, as specified in sub-section (2), are situated on any land of the Tea Units which have been sold in auction for default in payment of land revenue, the right of user in such lands of all persons or body of persons accruing from such sale shall, unless otherwise decided by the State Government., remain suspended till the management in relation to the Tea Units remain vested with the State Government :

Provided that the State Government or the custodian shall pay to such person or body of persons an annual compensation of such amount as may be specified by the State Government for suspending the rights of user.

(4) Any contract, whether expressed or implied, or other arrangement, in so far as it relates to the management of the business and affairs of either of the Tea Companies in relation to the tea units only, and in force immediately before the appointed day, shall be deemed to have terminated on the appointed day.

(5) All persons in-charge of the management, including the persons holding office as Director, Manager or anyother managerial personnel of either of the Tea Companies, in relation to the tea units, immediately before the appointed day shall be deemed to have vacated their respective offices in relation to such units only on the appointed day.

(6) Notwithstanding anything contained in any other law for the time being in force, no person in respect of whom any contract of management or other arrangement is terminated by reason of the provision contained in sub-section (4) or who ceases to hold any office by reason of the provision contained in sub-section (5), shall be entitled to claim any compensation for the premature termination of the contract of management or other arrangement or for the loss of office, as the case may be.

(7) Notwithstanding any judgement, decree or order of any court, tribunal or other authority or anything contained in any other law (other than

this Act) for the time being in force, every Receiver or other person in whose possession or custody or under whose control any of the tea units or any part thereof may be immediately before the appointed day, shall, on the commencement of this Act deliver possession of the said tea units or such part thereof, as the case may be, to the custodian, where no custodian has been appointed, to such other person as the State Government may direct.

(8) For the removal of doubt, it is hereby declared that any liability incurred by either of the tea companies in relation to its tea units before the appointed day shall be enforceable against the concerned tea company and not against the State Government or the custodian.

#### **4. Custodian of the Tea Units —**

(1) The State Government may, as soon as it is convenient administratively so to do, appoint any person, co-operative society or body of persons (including a Government Company, whether in existence at the commencement of this Act or incorporated thereafter) as the custodian of one or more of the tea units, for the purpose of carrying on the management of such tea unit and the custodian so appointed shall carry on the management of the tea units for and on behalf of the State Government .

(2) On the appointment of the custodian under sub-section (1) for one or more tea units, the management of such tea units shall vest in such custodian and all persons in-charge of the management of such tea units immediately before such appointment shall cease to be in-charge of such management and shall be bound to deliver such management to the custodian.

(3) Subject to any general or special direction given or condition imposed by the custodian, any person authorised by the custodian to exercise any power may exercise that power in the same manner and with the same effect as if it had been conferred on that person directly by this Act and not by way of authorisation.

(4) The State Government may issue such direction (including the direction as to initiating, defending or continuing any legal proceedings before any court, tribunal or other authority) to the custodian as to his or its power and duties as the State Government deems to be desirable in the circumstances of the case and the custodian may also apply to the State Government at any time for instructions as to the manner in which he or it shall conduct the

management of the tea units or in relation to employment of workers and the staff or any other matter arising in the course of such management :

Provided that the liabilities specified in the second schedule shall be given priority, as far as practicable, while discharging all or any of the liabilities in relation to the tea units in accordance with the provisions of this Act and the amount required therefor may be met out of the resources of the Tea Units or any money advanced by the State Government or financial institutions in such manner and at such time as the State Government may decide, without, however, impairing the process of economic recovery of the Tea Units.

(5) Subject to the other provisions of the Act and the control of the State Government, the custodian shall be entitled, notwithstanding anything contained in the Companies Act, 1956, to exercise all the powers of the Board of Directors of the Tea Companies (including the power to dispose of any properties or assets of the Tea Companies) in relation to the concerned tea units only whether such powers are derived from the Companies Act, 1956, or from the memorandum and articles of association of the concerned tea company or from any other source.

(6) Every person having possession, custody or control of any properly forming part of any undertaking of the tea company in relation to the concerned tea unit shall deliver forthwith such property to the custodian or to any officer or other employee of the State Government or the custodian, as may be authorised by the State Government in this behalf.

(7) Any person who, on the appointed day, has in his possession or under his control any books, papers other documents relating to the tea units including the minute book containing the resolution of the persons in-charge of the management thereof before the appointed day, the current cheque books relating to the tea units, any letters, memorandum, notice or other communication between him and the Tea Company concerned, shall, notwithstanding anything contained in any other law for the time being in force be liable to account for the books, papers and other documents to the custodian and shall deliver them up to the custodian or to any such person (being an officer or other employee or the State Government or the custodian) as may be authorised by the State Government in this behalf.

(8) Every person in-charge of the management of the tea units immediately before the appointed day shall, within ten days from that day or within

such further period as the State Government may allow in this behalf, furnish to the custodian a complete inventory of all properties and assets (including particulars of books, debts and investment and belongings) forming part of the undertakings of the Tea Companies in relation to such tea units immediately before the appointed day and of all liabilities and obligations of such tea companies in relation to the undertaking of such tea units, subsisting immediately before that day, and also of all agreements entered into by such tea companies in relation to its tea units and in force immediately before that day.

(9) The custodian shall receive from the fund of the tea units such remuneration as the State Government may fix.

**5. Payment of amount —**

(1) Each of the Tea Company shall be given by the State Government an amount, in cash and at the rate to be specified by the State Government, for vesting in it, under section 3, of the management of the undertakings of each such Company in relation to such tea units and the amount so specified shall be paid every year during which the management of tea unit remains vested in the State Government under this Act.

**CHAPTER III**  
**Power to provide relief to the tea units**

**6. Power of the State Government to make certain declaration in relation to certain tea units —**

(1) The State Government may, if satisfied, in relation to any tea unit or any part thereof, the management of which has vested in it by this Act that it is necessary so to do in the interest of the general public, with a view to preventing any fall in the volume of production of tea by such tea units, by notification declare that the operation of all or any of the contracts, assurances of property, agreements, settlements, awards, standing order or other instruments in force (to which such tea units or the Tea Company owning such tea unit is a Party or which may be applicable to such tea unit) immediately before the date of issue of the notification shall remain suspended or that all or any of the rights, privileges, obligations and liabilities accruing or arising thereunder before the said date, shall remain suspended or shall be enforceable with such adaptation and in such manner as may be specified in the notification.



**Explanation :-** For the purpose of this sub-section 'award' shall not include on industrial award.

(2) The notification made under sub-section (1) shall remain in force, in the first instance, for a period of one year but the duration of such notification may be extended from time to time by a further notification for a period not exceeding one year at a time :

Provided that no such notification shall, in any case, remain in force after the expiry of three years from the commencement of this Act.

(3) Any notification made in sub-section (1) shall have effect notwithstanding anything to the contrary contained in any other law, agreement or instrument or any decree or order of court, tribunal, Officer or other authority or of any submission, settlement or standing order.

(4) Any remedy for the enforcement of any right, privilege, obligation or liability referred to in sub-section (1) and suspended or modified and all proceedings relating thereto pending before any court, tribunal, officer or other authority shall accordingly remain stayed or be contained subject to such adaptation; so, however, that on the notification ceasing to have effect—

- (a) any right, privilege, obligation or liability so suspended or modified shall become revived and enforceable as if the notification had never been made ;
- (b) any proceeding so remained stayed shall be proceeded with subject to the provision of any law which may be then in force, from the stage which had been reached when the proceeding became stayed.

(5) In computing the period of limitation for the enforcement of any right, privilege, obligation or liability referred to in sub-section (1), the period during which it or the remedy for the enforcement thereof remained suspended shall be excluded.

#### **CHAPTER IV Miscellaneous**

##### **7. Act to have overriding effect —**

The provisions of this Act or any notification, order or rule made thereunder, shall have effect notwithstanding anything inconsistent therewith

contained in any State Law (other than this Act) or in any instrument having effect by virtue of any law other than this Act or in any decree or order of any court.

**8. Application of the Companies Act, 1956 —**

(1) Notwithstanding anything contained in the Companies Act, 1956, or in the memorandum or articles of Association of either of the tea companies, so long as management of the tea units remain vested in the State Government, —

- (a) it shall not be lawful for the shareholders of either of the tea companies or any person to nominate or appoint any person for the management of the tea units ;
- (b) no resolution passed at any meeting of the share holders of either of the tea companies in relation to a tea unit concerned on or after the appointed day shall be given effect to unless approved by the State Government.

(2) Subject to the provisions contained in sub-section (1), and to the other provisions contained in this Act the Companies Act, 1956, shall continue to apply to the tea companies in relation to the respective tea units only in the same manner as it applied thereto before the appointed day.

(3) The provisions of this Act shall not be in derogation to the provisions of the Tea Act, 1953 or any other central law relating to Tea Industry and nothing contained in this Act shall exempt any person or body of persons, who may, for the time being, be entrusted with the management of a Tea Unit under this Act from the operation of the provisions of any such Central Law.

**9. Exclusion of period of operation of this Act from limitations —**

In computing the period of limitation prescribed by any law for the time being in force for any suit or application against any person by either of the Tea Companies in respect of any matter arising out of any transaction in relation to any of the Tea Units, the time during which this Act remains in force shall be excluded.

**10. Protection of action taken in good faith —**

(1) No suit, prosecution or other legal proceeding shall lie against the custodian or any officer employees of the State Government or the custodian for anything which is in good faith done or intended to be done under this Act.

(2) No suit or other legal proceeding shall lie against the State Government or the custodian or any of the officers or other employees of the State Government or the custodian for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act.

**11. Power to terminate contracts of employments —**

If the custodian is of the opinion that any contract of employment entered into by either of the Tea Companies or any managing agent or managing or other Director of either of the Tea companies in relation to the concerned Tea Unit at any time before the appointed day is unduly onerous, he or it may, subject to the provisions of the Industrial Disputes Act, 1947 modify the terms and conditions of service embodied in that contract after giving the employees an opportunity of stating his case or terminate such contract of employment after giving him one month's notice in writing or salary or wages for one month in lieu thereof.

**12. Penalties —**

(1) Any person, who—

- (a) having in his possession or custody or under his control any property forming part of any Tea Unit or either of the Tea Companies in relation to the undertaking of a tea unit, wrongfully withholds such properties from the custodian or any person authorised under this Act; or
- (b) wrongfully obtains possession of any such property ; or
- (c) wilfully retains any property forming part of any Tea Unit or removes or destroys it ; or
- (d) wilfully withholds from, or fails to deliver, the custodian or any person authorised under this Act, any books, papers or other documents relating to any Tea Unit which may be in his possession, power or custody or under his control, or

- (e) fails, without any reasonable excuse, to furnish information or particulars as provided in sub-section (8) of section 4,

shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees or with both.

(2) No court shall take cognizance of offence punishable under this section except with the previous sanction of the State Government or an officer authorised by the State Government in this behalf.

### **13. Offences by Companies —**

(1) where an offence under this Act has been committed by a Company every person who, at the time the offence was committed, was in-charge of, and was responsible to, the Company for the conduct of the business of the company as well as the Company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly ;

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any Director, Manager, Secretary or other officer of the Company, such Director, Manager, Secretary or other officer shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

**Explanation :-** For the purpose of this section —

- (a) "Company" means any body corporate and includes a firm or other association of individuals ; and
- (b) "Director", in relation to a firm, means a partner of the firm.

### **14. Power to make rules —**

(1) The State Government, may, by notification, make rules for carrying out the provisions of this Act.

(2) Every rule made by the Government under this Act shall be laid, after it is made, before the State Legislative Assembly while it is in Session for a total period of fourteen days, which may be comprised in one session or in two or more successive sessions and if before the expiry of the session immediately following the session or successive sessions as aforesaid the Legislative Assembly make any modification in the rule by way of amendment or repeal, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or repeal shall be without prejudice to the validity of any thing previously done under that rule.

**15. Repeal and saving —**

(1) The Tripura Tea Companies (Taking Over of Management of Certain Tea Units) Ordinance, 1986, is hereby repealed.

(2) Notwithstanding such repeal anything done or action taken under the said Ordinance, shall be deemed to have been done, or taken under the corresponding provisions of this Act.

**FIRST SCHEDULE**  
(see section 2(c) and 2(d))

Sl. No.	Names of the Tea Estates	Names of the Tea Companies
1	2	3
1.	Khowai Tea Estate.	Tripureswari Tea and Trading Company Ltd. 83, Park Street Calcutta- 700016.
2	Mohanpur Tea Estate.	Mohanpur Tea Company Ltd., 1-B, Apurba Mitra road, Calcutta-26.
3.	Brahmakundu Tea Estate.	Brahmakundu Tea Industries (PVT.) Ltd., Sundaritila, West Tripura.
4.	Luxmilonga Tea Estate.	The Triperah Tea Corporation Ltd. 162, Bipin Behari Ganguly Street, Calcutta- 12.
5.	Tufanialonga Tea Estate.	Tufanialonga Tea Company Ltd. 162, Bipin Behari Ganguly Street, Calcutta- 12.
6.	Fatikchhera Tea Estate.	Peerless Tea and Industry Ltd., 3/1, Mangoe Lane, Calcutta-1.
7.	Kalachhera Tea Estate.	The Simna Tea and Trading Company Ltd. 58, Ballygunj Garden, Calcutta- 19.

**SECOND SCHEDULE**  
**[(see proviso to section 4(4))]**

**List of liabilities to be discharged on priority basis :**

1. Workers' wages, Provident Fund, Gratuity, Medical benefits and other benefits as may be admissible to them.
2. Payment of land revenues, Taxes, Electricity duty etc. payable to the State Government/local authorities.
3. Revenues, Taxes, Rates or other dues payable to the Central Government.